# Morgan Lewis

Russell M. Blau Joshua M. Bobeck russell.blau@morganlewis.com joshua.bobeck@morganlewis.com

December 13, 2017

## **Via Electronic Filing**

Ms. Jocelyn Boyd Chief Clerk/Administrator South Carolina Public Service Commission 101 Executive Center Drive, Suite 100 Columbia, SC 29210

Re: Notification Regarding the Transfer of Membership Interests in South Carolina Telecommunications Group Holdings, LLC d/b/a Spirit Communications to Clemson BidCo, LLC

Dear Ms. Boyd:

By this letter, Clemson BidCo, LLC ("Clemson" or "Transferee"); and South Carolina Net, Inc. d/b/a Spirit Telecom ("SCNet"); FRC, LLC ("FRC"); South Carolina Telecommunications Group Holdings, LLC d/b/a Spirit Communications ("SCTG Holdings"); Spirit Tower Company, LLC ("Spirit Tower") and PalmettoNet, Inc. ("PalmettoNet") (together with SCNet, FRC, SCTG Holdings, and Spirit Tower the "Spirit Licensees"); and SCTG, LLC d/b/a Spirit Communications ("Spirit Parent") (collectively with Spirit Licensees "Spirit"), by the undersigned, notify the Commission of the proposed transaction through which Clemson will acquire all of the outstanding membership interests in Spirit Parent (the "Clemson/Spirit Transaction").

## **Description of the Parties**

## A. Clemson BidCo, LLC

Clemson, a Delaware limited liability company, with its principal place of business c/o EQT Partners Inc., 1114 Avenue of the Americas, 45th Floor, New York, NY 10036, is an indirect, wholly-owned subsidiary of MTN Infrastructure TopCo, Inc. ("MTN Infrastructure"), a holding company created to aggregate the ownership of various investment funds ultimately managed by an affiliate of EQT AB ("EQT"). Founded in Sweden in 1994, EQT is a leading alternative investments firm with approximately EUR 37 billion in raised capital across 24 funds.

Clemson's principal offices are located at:

Clemson BidCo, LLC c/o EQT Partners Inc. 1114 Avenue of the Americas, 45th Floor New York, NY 10036 (917) 281-0850 (tel) (917) 281-0845 (fax)

## **B.** Spirit Parent

Spirit Parent, a South Carolina limited liability company, was formed by a group of independent South Carolina-based Rural Local Exchange Companies (RLECs), who are its members. Today, Spirit Parent, through its operating subsidiaries – the Spirit Licensees – is a leading fiber-based service provider offering a full complement of internet, data and voice services in 17 markets in South Carolina, North Carolina, and Georgia.

Spirit Parent's (and Spirit Licensees') principal offices are located at:

SCTG, LLC d/b/a Spirit Communications 1500 Hampton Street Columbia, SC 29201 803-726-4478 (tel) 803-726-0726 (fax)

# C. Spirit Licensees

#### 1. SCNet

SCNet is a South Carolina corporation authorized by the Commission to operate as a reseller of intrastate, interLATA service pursuant to Order No. 92-333 in Docket No. 92-113-C adopted on May 13, 1992, and amended by Order No. 2003-346 on May 23, 2003. SCNet is also authorized by the Commission to provide local exchange services in areas of South Carolina served by BellSouth (now AT&T), GTE South (now Frontier) and United Telephone (now CenturyLink), pursuant to Order No. 2000-549 in Docket No. 2000-121-C adopted on July 5, 2000, and amended by Order No. 2003-346 on May 23, 2003. SCNet holds Section 214 authority from the FCC to provide domestic interstate and international telecommunications services.

#### 2. FRC

FRC is a South Carolina limited liability company authorized by the Commission to provide intrastate facilities-based and resold local exchange and exchange access telecommunications services within South Carolina pursuant to Order No. 2008-389 adopted in Docket No. 2008-49-C on May 20, 2008. FRC is also authorized to provide intrastate telecommunications services as a carrier's carrier pursuant to Order No. 2006-469 in Docket No. 2006-42-C on August 2, 2006.

## 3. SCTG Holdings

SCTG Holdings is a South Carolina limited liability company authorized by the Commission to provide competitive local exchange telecommunications services and interexchange telecommunications services on a facilities-based or resold basis pursuant to Order No. 2014-806 in Docket No. 2014-276-C adopted on October 7, 2014, and amended by Order No. 2016-600 in Docket No. 2016-180-C on August 24, 2016. SCTG Holdings also holds Section 214 authority from the FCC to provide domestic interstate and international

telecommunications services.

#### 4. Spirit Tower

Spirit Tower is a South Carolina limited liability company authorized to provide intrastate telecommunications services as a carrier's carrier and to provide private line and special access service pursuant to a Certificate issued by Order No. 96-451 in Docket No. 96-089-C adopted on July 5, 1996. Spirit Tower is also authorized to provide competitive intrastate local exchange and exchange access services on a facilities-based and resold basis in South Carolina pursuant to Order No. 2001-137 in Docket No. 2000-536-C adopted on February 12, 2001. The Commission granted a request to change the name from SCANA Communications Inc. to Spirit Tower Company pursuant to Order No. 2016-686 adopted in Docket Nos. 96-89-C/2000-536-C adopted on September 21, 2016.

#### 5. PalmettoNet

PalmettoNet is a South Carolina corporation authorized to operate as a carrier's carrier in South Carolina pursuant to Order No. 85-813 in Docket No. 85-157-C on September 20, 1985.

## **Designated Contacts**

Inquiries or copies of any correspondence, orders, or other materials pertaining to this filing should be directed to:

#### For Clemson:

Russell M. Blau
Joshua M. Bobeck
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, DC 20004
202-739-3000 (tel)
202-739-3001 (fax)
russell.blau@morganlewis.com
joshua.bobeck@morganlewis.com

# For Spirit Parent and Licensees:

M. John Bowen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
1221 Main Street
Suite 1800
Columbia, SC 29201
803-799-9800 (tel)
803-753-3278 (fax)
jbowen@mcnair.net
pfox@mcnair.net

#### With a copy to:

Michael D. Baldwin Vice President, Business & Legal Affairs Spirit Communications 1500 Hampton Street Columbia, SC 29201 Tel: 803-726-4053

Fax: 803-726-4053

Mike.Baldwin@spiritcom.com

## **Description of the Transaction**

Pursuant to the Membership Unit Purchase Agreement (the "Agreement"), dated August 4, 2017, by and among Clemson, Spirit Parent and the current Members of Spirit Parent, Clemson will acquire from the Members all of the outstanding membership interests in Spirit Parent (the "Clemson/Spirit Transaction"). As a result of the Clemson/Spirit Transaction, the Spirit Licensees will become indirect subsidiaries of Clemson.

The Clemson/Spirit Transaction will take place at the holding company level only and will result in no change to the Spirit entities operating in South Carolina (i.e., the Spirit Licensees). No name change; transfer of certificates, assets, or customers; or change in tariffs for the Spirit Licensees will result from the closing of this transaction. The transaction will be transparent to Spirit Licensees' customers. All existing customers of Spirit Licensees will continue to be served by the respective Spirit Licensees, pursuant to existing authorizations and existing tariffs and contracts. The only immediate change resulting from the Clemson/Spirit Transaction will be that Spirit Parent will be owned by Clemson rather than the current Members.

\* \* \* \*

We will advise the Commission once the closing has been consummated. If there are changes to be made in points of contact or other information normally filed with the Commission, then updates to that information will be made post-closing.

It is the parties' understanding that Commission approval is not required to complete the transaction described herein. The Parties submit this letter for informational purposes only to ensure the continuing accuracy of the Commission's records.

Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,

/s/ Joshua M. Bobeck
Russell M. Blau
Joshua M. Bobeck
MORGAN, LEWIS & BOCKIUS LLP
1111 Pennsylvania Ave., N.W.
Washington, DC 20004-2541
202-739-3000 (tel)
202-739-3001 (fax)
russell.blau@morganlewis.com
joshua.bobeck@morganlewis.com

Counsel for Clemson BidCo, LLC

Cc: C. Dukes Scott, Office of Regulatory Staff
Nanette S. Edwards, Office of Regulatory Staff
Jeffrey M. Nelson, Office of Regulatory Staff
M. Baldwin
J. Bowen
P. Fox